
UNIVERSITI SAINS MALAYSIA

Second Semester Examination
Academic Session 2007/2008

April 2008

ACE490 - Issues on Taxation
[Isu-Isu Percukaian]

Duration: 3 hours
[Masa: 3 jam]

Please check that this examination paper consists of **TWENTY TWO** pages of printed material before you begin the examination.

*[Sila pastikan bahawa kertas peperiksaan ini mengandungi **DUA PULUH DUA** muka surat yang bercetak sebelum anda memulakan peperiksaan].*

Instructions: Answer **ALL** questions.

[Arahan: Jawab **SEMUA** soalan].

Table for Individual Tax Payable

Chargeble income (RM)	Tax rate (%)	Income tax payable (RM)
1 – 2,000	0% on the first 2,500	0
2,001 - 5,000	1% on next <u>2,500</u> On first 5,000	<u>25</u> 25
5,001 – 10,000	3% on next <u>5,000</u> On first 10,000	<u>150</u> 175
10,001 - 20,000	3% on next <u>10,000</u> On first 20,000	<u>300</u> 475
20,001 - 35,000	7% on next <u>15,000</u> On first 35,000	<u>1,050</u> 1,525
35,001 - 50,000	13% on next <u>15,000</u> On first 50,000	<u>1,950</u> 3,475
50,001 - 70,000	19% on next <u>20,000</u> On first 70,000	<u>3,800</u> 7,275
70,001 - 100,000	24% on next <u>30,000</u> On first 100,000	<u>7,200</u> 14,475
100,001 - 150,000	27% on next <u>50,000</u> On first 150,000	<u>13,500</u> 27,975
150,001 – 250,000	27% on next 100,000 On first 250,000	<u>27,000</u> 54,975
Exceeding 250,000	28%	

Personal reliefs and allowances

	RM
Self	8,000
Medical expenses expended for parents	5,000 maximum
Basic supporting equipment for disabled self, spouse, child or parent	5,000 maximum
Disabled self	6,000
Fees expended for skills or qualifications	5,000 maximum
Medical expenses expended on self, spouse or child with serious disease, including up to RM500 for medical examination	5,000 maximum
Expenses on books for personal use	1,000 maximum
Spouse relief	3,000
Disabled spouse	3,500
Child	1,000 each
Disabled child	5,000 each
Life insurance premiums and contributions to approved provident funds	6,000 maximum
Medical or education insurance premiums for self, spouse or child	3,000 maximum

Rebates

	RM
Resident individual – chargeable income up to RM35,000	350
Resident individual who has been given a deduction in respect of wife (or former wife) or husband – chargeable income up to RM35,000 - additional	350
Rebate for computer with receipt	500

Value of benefits in kind**Car benefit scale**

Cost of car (when new) RM	Prescribed annual value of private usage of car RM	Fuel per annum RM
Up to 50,000		1,200
600		
50,001- 75,000	2,400	900
75,001-100,000	3,600	1,200
100,001-150,000	5,000	1,500
150,001-200,000	7,000	1,800
200,001-250,000	9,000	2,100
250,001-350,000	15,000	2,400
350,001-500,000	21,250	2,700
500,001 and above	25,000	3,000

The value of the car benefit equal to half the prescribed annual value (above) is taken if the car provided is more than five years old, but the value of fuel provided remains unchanged.

Where a driver is provided by the employer, the value of the benefit is fixed at RM600 per month.

Other benefits

Household furnishings, apparatus & appliances

Semi-furnished with furniture in the lounge

dining room, or bedrooms

- RM70 per month

Semi-furnished with furniture as above and one or more of the following:

air-conditioners, curtains, carpets

- RM140 per month

Fully furnished premises

- RM280 per month

Domestic servant

- RM400 per month

Gardener

- RM300 per month

Capital allowances

	Initial allowance (%) rate	Annual allowance (%) rate
Motor vehicles and heavy machinery	20	20
Plant and machinery (general)	20	14
Office equipment, furniture and fittings	20	10
Industrial building	10	3
Computer, information technology equipment & computer software	20	40

Kadar cukai berikut, elaun dan nilai perlulah menjadi rujukan dalam menjawab soalan di atas.

Kumpulan Pendapatan Bercukai (RM)	Kadar Cukai (%)	Cukai Dibayar (RM)
1 – 2,000	0% di atas 2,500 yang pertama	0
2,001 – 5,000	1% di atas <u>2,500</u> yang berikut Di atas 5,000 yang pertama	<u>25</u> 25
5,001 – 10,000	3% di atas <u>5,000</u> yang berikut Di atas 10,000 yang pertama	<u>150</u> 175
10,001 – 20,000	3% di atas <u>10,000</u> yang berikut Di atas 20,000 yang pertama	<u>300</u> 475
20,001 – 35,000	7% di atas <u>15,000</u> yang berikut Di atas 35,000 yang pertama	<u>1,050</u> 1,525
35,001 – 50,000	13% di atas <u>15,000</u> yang berikut Di atas 50,000 yang pertama	<u>1,950</u> 3,475
50,001 – 70,000	19% di atas <u>20,000</u> yang berikut Di atas 70,000 yang pertama	<u>3,800</u> 7,275
70,001 – 100,000	24% di atas <u>30,000</u> yang berikut Di atas 100,000 yang pertama	<u>7,200</u> 14,475
100,001 – 150,000	27% di atas <u>50,000</u> yang berikut Di atas 150,000 yang pertama	<u>13,500</u> 27,975
150,001 – 250,000	27% di atas 100,000 yang berikut Di atas 250,000 yang pertama	<u>27,000</u> 54,975
Melebihi 250,000	28%	

Pelepasan individu dan elaun

	RM
<i>Diri Sendiri</i>	8,000
<i>Belanja perubatan dibelanjakan untuk ibubapa</i>	5,000 maksimum
<i>Peralatan sokongan asas untuk orang kurang upaya bagi diri sendiri, isteri, anak atau ibubapa</i>	5,000 maksimum
<i>Kurang Upaya – Diri sendiri</i>	6,000
<i>Belanja yuran untuk pelajari skill atau meningkatkan kelayakan</i>	5,000 maksimum
<i>Belanja perubatan untuk diri, isteri atau anak dengan penyakit yang serius termasuk sebanyak RM500 untuk ujian perubatan</i>	5,000 maksimum
<i>Belanja untuk buku bagi kegunaan peribadi</i>	1,000 maksimum
<i>Pelepasan untuk isteri</i>	3,000
<i>Isteri kurang upaya</i>	3,500
<i>Anak</i>	1,000 seorang
<i>Anak kurang upaya</i>	5,000 seorang
<i>Premium insuran hayat dan caruman KWSP</i>	6,000 maksimum
<i>Insuran premium untuk perubatan atau pendidikan bagi diri, isteri atau anak</i>	3,000 maksimum

Rebat

	RM
<i>Individu mastautin – pendapatan boleh cukai tidak melebihi RM35,000</i>	350
<i>Individu mastautin yang telah diberi pelepasan isteri (atau bekas isteri) atau suami – pendapatan boleh cukai tidak melebihi RM35,000</i>	
<i>– tambahan</i>	350
<i>Rebat untuk komputer dengan resit</i>	500

Nilai manfaat berupa barangan***Jadual manfaat kereta***

Kos kereta (Baru) RM	Nilai manfaat setahun RM	Minyak setahun RM
<i>Up to 50,000</i>	1,200	600
<i>50,001- 75,000</i>	2,400	900
<i>75,001-100,000</i>	3,600	1,200
<i>100,001-150,000</i>	5,000	1,500
<i>150,001-200,000</i>	7,000	1,800
<i>200,001-250,000</i>	9,000	2,100
<i>250,001-350,000</i>	15,000	2,400
<i>350,001-500,000</i>	21,250	2,700
<i>Melebihi 500,001</i>	25,000	3,000

Nilai manfaat kereta bersamaan dengan separuh dari nilai manfaat setahun (seperti di atas) jika kereta yang disediakan melebihi 5 tahun umurnya, tetapi nilai minyak yang disediakan tidak berubah.

Jika pemandu disediakan oleh majikan, nilai manfaat adalah tetap sebanyak RM600 sebulan.

Manfaat lain

Kelengkapan rumah, perkakas dan pelengkapan

Separuh lengkap dengan perabot di ruang tamu, bilik makan, dan bilik tidur

- RM70 sebulan

Separu lengkap dengan perabot dan satu atau lebih dengan kelengkapan berikut:

Penyaman udara, langsir, permaidani

- RM140 sebulan

Lengkap dengan perabot

- RM280 sebulan

Pembantu rumah

- RM400 sebulan

Tukang kebun

- RM300 sebulan

Elaun Modal

	Elaun permulaan	Elaun tahunan
	kadar (%)	kadar (%)
<i>Kenderaan bermotor dan mesin berat</i>	20	20
<i>Loji dan mesin (umum)</i>	20	14
<i>Peralatan pejabat ,perabot dan kelengkapan</i>	20	10
<i>Bangunan Industri</i>	10	3
<i>Komputer , peralatan teknologi maklumat & program komputer</i>	20	40

Question 1 (20 marks)

- (a) Gelugor Bhd (year ended 31 December) provides you with the following information for year of assessment 2007:

	RM
Balance of Section 108 Old Account as at 1 January 2007	182,000
Balance of Section 108 New Account as at 1 January 2007	600,000
Income tax paid (February 2007 to January 2008 at RM8,000 per month)	96,000
Final income tax for year of assessment 2006 paid on 31 July 2007	30,000
Tax credit on dividend income received in 2007 (Section 110 set-off)	27,000

During the year ending 31 December 2007, the company paid the following dividends:

1 April 2007	Gross dividend	RM400,000
1 November 2007	Gross dividend	RM300,000

Required:

Compute the company's Old and New accounts under Section 108 for year of assessment 2007 under the Imputation System.

[12 marks]

- (b) To simplify and enhance the efficiency of the tax system, the single tier tax system has been introduced. Explain the mechanism and conditions in the implementation of the single tier tax system.

[8 marks]

Soalan 1 (20 markah)

- (a) *Gelugor Bhd (tahun berakhir 31 Disember) memberi anda maklumat berikut bagi tahun taksiran 2007:*

	RM
<i>Baki Seksyen 108 Akaun Lama pada 1 Januari 2007</i>	<i>182,000</i>
<i>Baki Seksyen 108 Akaun Baru pada 1 Januari 2007</i>	<i>600,000</i>
<i>Cukai pendapatan dibayar (Februari 2007 hingga Januari 2008 pada RM8,000 sebulan)</i>	<i>96,000</i>
<i>Cukai pendapatan muktamat bagi tahun taksiran 2006 dibayar pada 31 Julai 2007</i>	<i>30,000</i>
<i>Kredit cukai keatas pendapatan dividen diterima pada 2007 (kredit Seksyen 110)</i>	<i>27,000</i>

Pada tahun yang berakhir 31 Disember 2007, syarikat membayar dividen berikut:

<i>1 April 2007</i>	<i>Dividen kasar</i>	<i>RM400,000</i>
<i>1 November 2007</i>	<i>Dividen kasar</i>	<i>RM300,000</i>

Dikehendaki:

Kirakan Akaun Lama dan Akaun Baru dibawa Seksyen 108 bagi tahun taksiran 2007 di bawah Sistem Imputasi.

[12 markah]

- (b) *Untuk memudahkan serta meningkat kecekapan sistem percukaian, sistem cukai satu tahap diperkenalkan. Terangkan mekanisma dan syarat perlaksanaan sistem satu tahap.*

[8 markah]

Question 2 (20 marks)

Api Polymer Inc (API), an American company, intends to establish a wholly-owned subsidiary company, Allied Batteries Sdn Bhd (ABSB) in Perai, Penang to manufacture batteries for export.

The Malaysian Industrial Development Authority has confirmed that ABSB would be eligible for either pioneer status or investment tax allowance (ITA) incentive for a period of 5 years under the Promotion of Investment Act, 1986.

API has prepared the following financial projections in respect of the project in Malaysia:

Year ending	2009	2010	2011	2012	2013	2014
31 December	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net Profit/(loss)	Nil	(6,000)	8,000	13,100	12,000	16,400
Before depreciation						
Capital expenditure:						
Land	2,000	-	-	-	-	-
Factory building	5,000	-	-	-	-	-
Plant and machinery	30,000	-	-	-	-	5,000

API intends to submit its application for the manufacturing licence and investment incentive in early December 2008. ABSB is expected to start incurring capital expenditure on the factory building on January 1, 2009 and commence operations in January 2010 after the completion of its trial run in the same month.

It is assumed that:

- (i) The incentives will commence on 1 January 2010.
- (ii) The rate of annual allowance for plant and machinery is 20%.
- (iii) The adjusted income/loss is equal to the net profit/loss before depreciation.
- (iv) The corporate tax rate of 25% remains unchanged for all relevant years.

Required:

Advise API whether the pioneer status or ITA incentive is more beneficial for the proposed Malaysian operations. Support your answer with workings for each of the relevant years.

[20 marks]

Soalan 2 (20 markah)

Api Polymer Inc (API), sebuah syarikat dari Amerika, merancang menubuhkan sebuah anak syarikat pemilikan penuh di Perai, Pulau Pinang dengan nama Allied Batteries Sdn Bhd (ABSB) untuk mengeluarkan bateri untuk dieksport.

Malaysian Industrial Development Authority (MIDA) telah mengesahkan bahawa ABSB layak untuk mendapat taraf perintis atau penggalakan elaun cukai pelaburan bagi tempoh selama 5 tahun di bawah Akta Penggalakan Pelaburan, 1986.

API menyediakan ramalan kewangan berikut mengenai projeknya di Malaysia:

Tahun Berakhir	2009	2010	2011	2012	2013	2014
31 Disember	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Untung/(Rugi) bersih Sebelum susutnilai</i>	<i>Tiada</i>	<i>(6,000)</i>	<i>8,000</i>	<i>13,100</i>	<i>12,000</i>	<i>16,400</i>
<i>Pebelajaran Modal:</i>						
<i>Tanah</i>	<i>2,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Bangunan Kilang</i>	<i>5,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Jentera dan mesin</i>	<i>30,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,000</i>

Rancangan untuk mengemukakan permohonan untuk mendapatkan lesen pengilangan dan juga penggalakan pelaburan telah dilakukan oleh API pada awal Disember 2008. ABSB akan mula mengenakan perbelanjaan modal untuk bangunan kilang pada 1 Januari, 2009 dan operasi akan bermula pada bulan Januari 2010 selepas kendalian percubaan di dalam bulan yang sama.

Adalah diandaikan bahawa:

- (i) Penggalakan pelaburan akan bermula pada 1 Januari 2010.*
- (ii) Kadar elaun tahunan bagi jentera dan mesin ialah 20%.*
- (iii) Pendapatan/rugi pasaran adalah sama dengan untung/rugi sebelum susutnilai.*
- (iv) Kadar cukai korporat 25% adalah dikekalkan pada semua tahun yang relevan.*

Dikehendaki:

Nasihatkan API sama ada taraf perintis atau penggalakan elaun cukai pelaburan lebih memberi lebih manfaat bagi operasi di Malaysia. Tunjukkan pengiraan anda bagi setiap tahun yang berkaitan.

[20 markah]

Question 3 (20 marks)

Encik Lim, the sole proprietor of “Lim Tuition Centre”, which provides private tuition, was investigated by the Inland Revenue Board (IRB) for under-declaring his income. The IRB issued a notice requiring him to furnish his capital statements for years 2005 to 2007.

The balance sheets of his tuition business submitted by Mr. Lim with his annual tax return are as follows:

As at 31 December:	2007 RM	2006 RM	2005 RM
Capital	100,000	80,000	60,000
Profit and Loss account			
Balance brought forward	50,000	45,000	42,000
Profit for the year	35,000	29,000	28,000
Less: Drawings	(30,000)	(26,000)	(22,000)
	55,000	48,000	48,000
Proprietor's fund	155,000	128,000	108,000
Represented by			
Fixed assets	95,000	80,000	65,000
Current assets	120,000	110,000	88,000
Less: Current Liabilities	(60,000)	(62,000)	(45,000)
	60,000	48,000	43,000
Net assets	155,000	128,000	108,000

In 2006, Encik Lim became a partner in a publication business. His “account” with the partnership is as follows:

As at 31 December:	2007 RM	2006 RM
Capital balance	155,000	-
Capital contribution	50,000	150,000
Net profit/(loss) allocation	(20,000)	40,000
	185,000	190,000
Less: Drawings	(10,000)	(35,000)
Balance	175,000	155,000

On 1 February 2006, Encik Lim opened a current account with a local bank and the transactions recorded were as follows:

Date	Description	Withdrawals RM	Deposits RM	Balance RM	
01-02-2006	Cash		68,000	68,000	Cr
01-03-2006	Loan to Encik Tan	20,000		48,000	Cr
01-05-2006	Purchased land	15,000		33,000	Cr
20-07-2006	Remittance overseas for son's education	35,000		2,000	Dr
01-08-2006	Hospital bill	5,000		7,000	Dr
01-09-2006	Purchase Maybank shares	6,500		13,500	Dr
01-10-2006	Income tax payment	6,000		19,500	Dr
15-10-2006	Purchase Proton shares	5,000		24,500	Dr
31-12-2006	Interest expense	2,500		27,000	Dr
01-01-2007	Balance			27,000	Dr
01-03-2007	Proceeds from sale of land bought in 2004		50,000	23,000	Cr
01-05-2007	Purchased jewellery	8,000		15,000	Cr
01-06-2007	Proceeds from sale of Maybank shares		5,000	20,000	Cr
10-07-2007	Daughter's wedding expenses	20,000		0	
01-10-2007	Down payment for car	15,000		15,000	Dr
01-11-2007	Income tax payment	5,000		20,000	Dr
31-12-2007	Balance			20,000	Dr

The IRB's record of Encik Lim's assessments and payments of income tax is shown below:

Date	Description	Debit RM	Credit RM	Balance RM	
01-01-2006	Balance b/f			1,500	Dr
01-07-2006	Assessment for year assessment 2005	8,000		9,500	Dr
01-09-2006	Assessment for year assessment 2006	10,000		19,500	Dr
01-10-2006	Tax payment (cheque)		6,000	13,500	Dr
31-12-2006	Balance c/f			13,500	Dr
01-01-2007	Balance b/f			13,500	Dr
01-08-2007	Tax discharged for year assessment 2005		1,500	12,000	Dr
01-11-2007	Tax payment (cheque)		5,000	7,000	Dr
01-12-2007	Assessment for year assessment 2007	15,000		22,000	Dr
31-12-2007	Balance c/f			22,000	Dr

Encik Lim has only declared his profit from "Lim Tuition Centre" in his tax returns for the years of assessment 2006 and 2007.

Required:

- (a) Prepare Encik Lim's capital statements (statements of assets and liabilities) for years 2005 to 2007 and determine his additional income for the years 2006 and 2007.

[15 marks]

- (b) Explain the powers given to IRB officers in the Income Tax Act, 1967 in order to carry out their tax investigation duties.

[5 marks]

Soalan 3 (20 markah)

Encik Lim, pemilik tunggal "Pusat Tuisyen Lim" yang menawarkan tuisyen persendirian, telah disiasat oleh Lembaga Hasil Dalam Negeri (LHDN) kerana beliau telah didapati mengistiharkan kurang pendapatannya. Pihak LHDN telah mengeluarkan notis kepadanya supaya menyiapkan penyata modal bagi tahun 2005 hingga 2007.

Kunci kira-kira perniagaan tuisyen Encik Lim yang dikemukakan bersama pulangan cukai adalah seperti berikut:

<i>Pada 31 Disember:</i>	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
<i>Modal</i>	100,000	80,000	60,000
<i>Akaun untung rugi</i>			
<i>Baki b/b</i>	50,000	45,000	42,000
<i>Untung tahunan</i>	35,000	29,000	28,000
<i>Tolak: Ambilan</i>	(30,000)	(26,000)	(22,000)
	55,000	48,000	48,000
<i>Dana pemilik</i>	155,000	128,000	108,000
<i>Diwakili oleh:</i>			
<i>Aset tetap</i>	95,000	80,000	65,000
<i>Aset semasa</i>	120,000	110,000	88,000
<i>Tolak: Liabiliti semasa</i>	(60,000)	(62,000)	(45,000)
	60,000	48,000	43,000
<i>Aset bersih</i>	155,000	128,000	108,000

Pada tahun 2006, Encik Lim menyertai satu perniagaan perkongsian percetakan. "Akaun" Encik Lim dengan perkongsian adalah seperti berikut:

Pada 31 Disember:	2007	2006
	RM	RM
Baki modal	155,000	-
Sumbangan modal	50,000	150,000
Untung/rugi bersih	(20,000)	40,000
	<u>185,000</u>	<u>190,000</u>
Tolak: Ambilan	(10,000)	(35,000)
Baki	<u>175,000</u>	<u>155,000</u>

Pada 1 Februari 2006, Encik Lim membuka akaun semasa di sebuah bank tempatan dan urusniaga yang tercatat adalah seperti berikut:

Tarikh	Penerangan	Keluar RM	Masuk RM	Baki RM	
01-02-2006	Tunai		68,000	68,000	Kt
01-03-2006	Pinjaman kepada Encik Lim	20,000		48,000	Kt
01-05-2006	Belian tanah	15,000		33,000	Kt
20-07-2006	Kiriman yuran pengajian anak ke London	35,000		2,000	Dt
01-08-2006	Bil hospital	5,000		7,000	Dt
01-09-2006	Beli saham Maybank	6,500		13,500	Dt
01-10-2006	Bayar cukai pendapatan	6,000		19,500	Dt
15-10-2006	Beli saham Proton	5,000		24,500	Dt
31-12-2006	Belanja faedah	2,500		27,000	Dt
01-01-2007	Baki			27,000	Dt
01-03-2007	Jualan tanah yang dibeli pada 2006		50,000	23,000	Kt
01-05-2007	Beli permata	8,000		15,000	Kt
01-06-2007	Jualan saham Maybank		5,000	20,000	Kt
10-07-2007	Belanja perkahwinan anak	20,000		0	
01-10-2007	Cagaran untuk kereta	15,000		15,000	Dt
01-11-2007	Bayar cukai pendapatan	5,000		20,000	Dt
31-12-2007	Baki			20,000	Dt

Rekod LHDN mengenai taksiran dan bayaran cukai pendapatan Encik Lim adalah seperti berikut:

<u>Tarikh</u>	<u>Penerangan</u>	<u>Debit</u> RM	<u>Kredit</u> RM	<u>Baki</u> RM	
01-01-2006	Baki b/b			1,500	Dt
01-07-2006	Taksiran bagi Tahun Taksiran 2005	8,000		9,500	Dt
01-09-2006	Taksiran bagi Tahun Taksiran 2006	10,000		19,500	Dt
01-10-2006	Bayaran cukai (cek)		6,000	13,500	Dt
31-12-2006	Baki h/b			13,500	Dt
01-01-2007	Baki b/b			13,500	Dt
01-08-2007	Cukai dikurangkan bagi Tahun Taksiran 2005		1,500	12,000	Dt
01-11-2007	Bayaran cukai (cek)		5,000	7,000	Dt
01-12-2007	Taksiran bagi Tahun Taksiran 2007	15,000		22,000	Dt
31-12-2007	Baki h/d			22,000	Dt

Encik Lim hanya mengisytiharkan pendapatannya dari "Pusat Tuisyen Lim" dalam pulangan cukainya bagi Tahun Taksiran 2006 dan Tahun Taksiran 2007.

Dikehendaki:

- (a) Sediakan penyata modal (penyata aset dan liabiliti) bagi tahun 2005 hingga 2007 dan tentukan pendapatan tambahannya bagi tahun 2006 dan 2007.

[15 markah]

- (b) Terangkan kuasa yang diperuntukkan kepada pegawai LHDN dalam Akta Cukai Pendapatan, 1967 untuk menjalankan tugas penyiasatan cukai.

[5 markah]

Question 4 (20 marks)

Tom, an expatriate architect has been offered an appointment with the following remuneration package:

	RM
Salary	120,000
Bonus	20,000
Housing allowance	36,000
Entertainment allowance	6,000
Travelling and driver's allowance	10,000

Tom is married and has two children below sixteen years of age. Tom contributes 11% of his pay for Employees Provident Fund.

Subsequently, Tom is offered a revised pay package on the following basis:

- His basic salary is now revised to RM140,000 per annum.
- He will be allowed to claim reimbursement for entertainment expenses up to RM6,000 per annum.
- A furnished house will be provided and rental is RM36,000 out of which RM12,000 is for furnishing and utensils.
- He is provided with a driver whereby the employer will pay RM10,000 to employ the driver.

Required:

- (a) What is the tax payable by Tom under the original remuneration package and revised remuneration package? [10 marks]
- (b) What is the tax differential between the two packages? [2 marks]
- (c) Compare the cash outlay by the employer under the two packages. [3 marks]
- (d) Compare the take-home pay after tax between the two packages. [5 marks]

Soalan 4 (20 markah)

Tom, seorang arkitek asing telah ditawarkan suatu jawatan dengan pakaj ganjaran seperti berikut:

	RM
Gaji	120,000
Bonus	20,000
Elaun perumahan	36,000
Elaun keraian	6,000
Elaun perjalanan dan driver	10,000

Tom sudah berkahwin dan mempunyai dua orang anak berumur di bawah enam belas tahun. Tom menyumbangkan 11% gajinya kepada Kumpulan Wang Simpanan Pekerja.

Kemudian, Tom telah dipelawa dengan pakej ganjaran baru berasaskan kepada yang berikut:

- Gaji asasnya di tukar kepada RM140,000 setahun.
- Dia dibenarkan menuntut imbuhan bagi belanja keraian sehingga RM6,000 setahun.
- Sebuah rumah yang lengkap diperuntukan untuknya dan sewanya ialah RM36,000 di mana RM12,000 adalah untuk kelengkapan dan peralatan rumah.
- Dia juga diberikan seorang pemandu kereta di mana majikan akan bayar RM10,000 untuk membayar gaji pemandu.

Dikehendaki:

- (a) Berapakah cukai yang dikenakan keatas Tom di bawah pakej ganjaran asal dan pakej ganjaran baru?

[10 markah]

- (b) Apakah perbezaan cukai antara kedua-dua pakej tersebut?

[2 markah]

- (c) Bandingkan peruntukan tunai oleh majikan dibawah kedua-dua pakej.

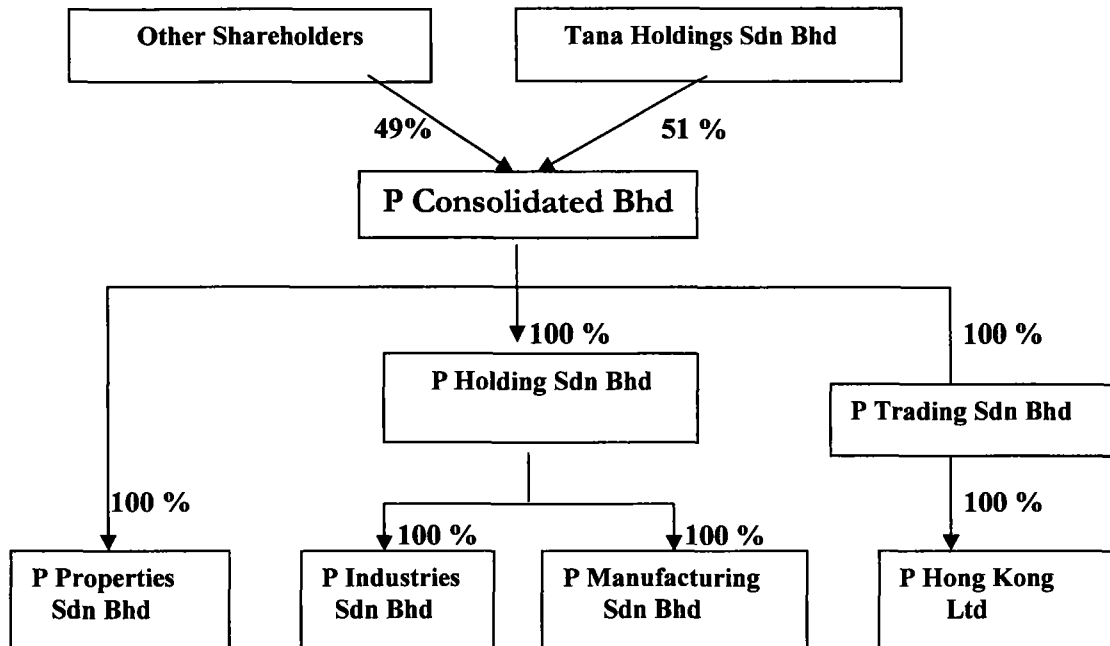
[3 markah]

- (d) Bandingkan ganjaran bersih selepas cukai antara kedua-dua pakej.

[5 markah]

Question 5 (20 marks)

P Consolidated Bhd (PCB) has the following existing group structure:



Besides being an investment holding company and providing management services to its subsidiaries, P Consolidated Bhd (PCB) also operates a rubber and oil palm estate which has been incurring losses over the years.

P Holdings Sdn Bhd (PHSB) is an investment holding company formed solely to hold the shares in P Industries Sdn Bhd (PISB) and P Manufacturing Sdn Bhd (PMSB). PHSB has been incurring losses from the provisions of management services to PISB and PMSB.

P properties Sdn Bhd (PPSB) owns a block of condominiums, which has been rented out ever since its acquisition. These condominiums were acquired with an advance obtained from PCB, which in turn took a loan from a bank bearing interest at 7.5% per annum. As PPSB is making losses, it is expected that PPSB will be profitable in the next few years.

PISB is engaged in the manufacturing of electrical appliances and has been enjoying investment tax allowance which will expire in 2 years time. It is a highly profitable business and has been paying tax exempt dividends ever since it commenced operations.

PMSB is engaged in manufacturing textiles for the export market and has been granted pioneer status incentive 2 years ago. It has been incurring substantial losses due to stiff competition. It is not expected to turn around in the near future.

P Trading Sdn Bhd (PTSB) is engaged in the marketing of products manufactured by PISB, PMSB and third parties. PTSB is currently profitable but has not paid any dividends although it has significant Section 108(6) credits.

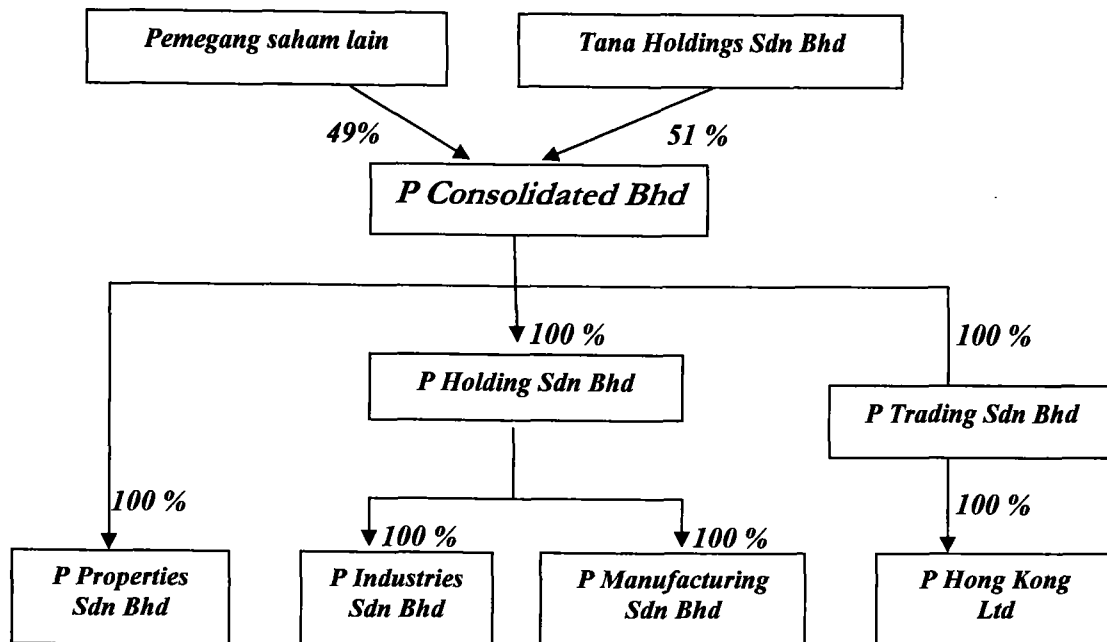
P Hong Kong Ltd (PHKL), a company resident in Hong Kong, is the distributor of products manufactured by PISB and PMSB in the Asia Pacific Region, excluding Malaysia. PHKL is a highly profitable company and has been paying dividends to PTSB over the years.

Required:

- (a) Identify weaknesses in the existing group structure from a tax viewpoint. [8 marks]
- (b) Recommend how the group could be reorganised to achieve tax efficiency, including ways to maximise dividend payments to the shareholders of PCB (Assume the companies do not elect to switch over to the Single Tier Tax System). [12 marks]

Soalan 5 (20 markah)

P Consolidated Bhd (PCB) mempunyai struktur kumpulan berikut:



Selain dari bertindak sebagai syarikat induk pelaburan dan memberi perkhidmatan pengurusan kepada anak syarikatnya, P Consolidated Bhd (PCB) juga mengendalikan sebuah kebun getah dan kelapa sawit yang mengalami kerugian beberapa tahun kebelakangan ini.

P Holdings Sdn Bhd (PHSB) adalah syarikat induk pelaburan yang ditubuhkan khusus untuk memegang saham P Industries Sdn Bhd (PISB) dan P Manufacturing Sdn Bhd (PMSB). Selama ini PHSB mengalami kerugian dari penyediaan perkhidmatan pengurusan kepada PISB and PMSB.

P Properties Sdn Bhd (PPSB) memiliki sebuah blok kondominium yang telah disewakan semenjak perolehannya. Kondominium tersebut telah diperolehi melalui wang pendahuluan daripada PCB. PCB pula telah mendapat pinjaman bank pada kadar faedah 7.5% setahun. Oleh sebab PPSB mengalami kerugian, adalah diramalkan bahawa PPSB akan menghasilkan keuntungan pada tahun-tahun yang akan datang.

PISB menjalankan perkilangan alatan elektrik dan menikmati elaun cukai pelaburan yang akan tamat dua tahun lagi. Perniagaan ini adalah amat menguntungkan dan selama ini, PISB telah bayar dividen yang dikecualikan daripada cukai sejak ia memulakan operasinya..

PMSB menjalankan perkilangan tekstil untuk pasaran eksport dan telah diberikan penggalakan taraf perintis dua tahun yang lalu. PMSB telah mengalami kerugian besar kerana persaingan yang hebat. PMSB diramal tidak dapat dipulihkan dalam masa yang terdekat ini.

P Trading Sdn Bhd (PTSB) menjalankan pemasaran produk yang dikeluarkan oleh PISB, PMSB dan pihak ketiga. Pada masa kini, PTSB adalah menguntungkan tetapi masih belum membayar sebarang dividen walau ia mempunyai kredit di bawah Seksyen 108(6).

P Hong Kong Ltd (PHKL), sebuah syarikat bermastautin di Hong Kong, adalah pengedar produk yang dikeluarkan oleh PISB and PMSB dirantau Asia Pacific tidak termasuk Malaysia. PHKL adalah syarikat yang amat menguntungkan dan membayar dividen kepada PTSB selama ini.

Dikehendaki:

- (a) *Tentukan kelemahan dalam struktur kumpulan sedia ada dari segi percukaian.*

[8 markah]

- (b) *Syorkan cara kumpulan ini dapat disusun semula untuk mencapai kecekapan percukaian, termasuk cara memaksimumkan pembayaran dividen kepada pemegang saham PCB (Andaikan semua syarikat berkenaan tidak memilih untuk menukar kepada Sistem Cukai Satu Tahap).*

[12 markah]